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Second extension of the first country cooperation framework for Bulgaria

Note by the Administrator

Period of extension: 1 January 2001 to 31 December 2001

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I. Background and justification

1. The national context and the status of the present UNDP programme in Bulgaria provide a convincing argument in favour of the wish of the Government to extend the current country cooperation framework (CCF) (1997-2000) to the end of 2001. The Executive Board approved the CCF at its third regular session 1997; it was extended until December 2000.

2. In February 2000, UNDP carried out a country review. The exercise, undertaken by three external consultants, lasted one month. The findings were very positive, reiterating the conclusions of the Executive Board following its visit to Bulgaria in September 1999, which fully endorsed the approach of UNDP. In essence, the country review confirmed the utility and direction of the current programme and concluded that the strategy and thematic areas formulated for the present country cooperation framework still correspond closely with the top current and future priorities set by the Government: namely, to address the social needs of the population and to lay the foundation for a strong and sustainable environment for employment and for income-generation growth. Furthermore, the country review team concluded that the next CCF for Bulgaria should build the same priority areas as the current programming period, in which many of the operational projects of the country office should be extended to the next CCF period. This was also confirmed by partners at the country review meeting.

3. The country review report recommends that the next programming cycle should not diverge dramatically from the work which has already been done, highlighting the tremendous synergy between the different projects and programmes, which have succeeded in attracting $37 million in cost-sharing contributions from a total of 26 partners. In this sense, the country review team endorsed the view that the present country operation in Bulgaria is not only in line with the recently approved Administrator's Business Plans 2000-2003, but is also an important contribution to assisting transition countries in general and to creating an atmosphere of democratic development in the subregion in particular. The operations of UNDP Bulgaria, therefore, do not require any major realignments to accommodate the new vision approved by the Executive Board on 28 January 2000. However, a commitment to stay on the same course would enhance the presence of UNDP in the country and strengthen the role of the Resident Representative as a policy advocate with the Government and donor partners in the already selected areas for sustainable human development (SHD).

4. Against this background, the country situation also confirms the need to postpone the preparation of the next CCF. Bulgaria is now approaching an election campaign, which will possibly see a change of Government in the first half of 2001. In this respect, the prospect of negotiating the scope and content of a new CCF, with a Government that may not be in power when the new CCF becomes effective, could potentially place constraints on the programming of UNDP Bulgaria in the next cycle. Given the political situation, which will accompany the election process, it is likely that the present Administration will be unable to make future cooperation with UNDP. Furthermore, UNDP focus on policy advice and its role as a trusted partner of the Government, as spelt out in the Administrator's Business Plans, would also be jeopardized if a future incoming Government does not adhere to the next CCF. There would therefore be no guarantee that a CCF, endorsed by the Executive Board in January 2001, will coincide with the priorities of a new Administration taking office later that year.

5. Finally UNDP Bulgaria is engaged in a high-level partnership with the World Bank to support the preparation of a national poverty plan of action, in accordance with the World Summit for Social Development (WSSD) commitments of the Government. Ideally, the plan will be ready by the end of 2000 and its content, scope and form will obviously be crucial to the future direction of the next CCF.

II. Objectives

6. The first CCF was formulated in response to challenges faced by Bulgaria during the transition period. The Government and UNDP have pursued a programme which seeks to assist the most vulnerable sectors of society, to strengthen local capacities to fight poverty, to help create jobs, to promote a sophisticated policy dialogue on the reforms and the transition period and to facilitate stronger civil-society participation, while bearing in mind gender-related concerns. These priorities are reflected in the CCF and are in accordance with the priorities of the Government.

Consequently, the CCF has two focus areas. The first is to reverse impoverishment and the decline in the quality of life, which accounts for 80 per cent of programme resources and has four areas of concentration: (a) policy analysis and formulation for poverty alleviation; (b) social integration of the weakest segments of society; (c) employment promotion; and (d) environment protection and regeneration. The second is to promoting good governance for sustainable human development, which accounts for the other 20 per cent of programme resources and is also divided into four areas of concentration: (a) policy analysis and formulation; (b) civil society participation; (c) management efficiency; and (d) coordination of humanitarian assistance and preventive development.

A. Reversing impoverishment and the decline in the quality of life

8. Programme performance to date highlights the successes achieved in the job creation portfolio of UNDP. Under the Beautiful Bulgaria programme, public works have been utilized to create temporary employment opportunities and to train thousands of long-term unskilled unemployed. The project has simultaneously upgraded public buildings and urban infrastructure. Between 1997 and 2000, 49,000 man-months of jobs were created, which has provided employment for some 13,900 people working to refurbish about 550 sites. Some 50 per cent of the labourers belong to minority groups. Furthermore, over 1,300 permanent jobs have been created through a UNDP/International Labour Organization (ILO) programme to promote small- and medium-sized enterprise (SME) development in western Bulgaria, including the creation of 62 new SMEs with trained workers. In addition, the Regional Initiatives Fund project of UNDP marking the first time that the World Bank has made a cost-sharing contribution to the Bulgaria country programme, which has provided temporary jobs for 1,000 people working on infrastructure projects, is also a prototype Social Investment Fund, which hopefully will be institutionalized as a national pillar for improving the quality of life of large numbers of disadvantaged people, mainly in rural areas. Collectively, these projects have also served as demonstration models for active labour-market policies in general, and have had a considerable impact in strengthening the capacities of the regional-employment services in particular. As stated in the country review building social capital through the creation of cooperatives, credit unions or other self-governing civil society organizations will be viewed as a means of providing beneficiaries with greater self-reliance and sustainability. The extension period is expected to enhance these policy implications which will need another year before their full effect is felt.

B. Promoting good governance for sustainable human development

9. Good governance for sustainable human development is an important facet of the programme and projects of UNDP Bulgaria. In all these cases, adequate management structures and models for a user-friendly administration and for financial operations and controls are being established in close collaboration with local authorities, specifically the municipalities. In addition, extensive work with a country-wide network of grass-roots organizations, called Chitalishte, has been able to stimulate and initiate local initiatives and self-help activities. Enhancing the self-confidence and self-reliance of the population, particularly in the countryside, is one of the main objectives of all UNDP-supported activities. The annual production of the national human development report (NHDR) by a group of independent Bulgarian researchers under the auspices of UNDP is considered to be the flagship UNDP publication in the country. It is very well received by the Government, local non-governmental organizations (NGOs) and the international donor community. The development cooperation report is now widely used as a reference document for the donor community and is also utilized as a tool to promote greater aid coordination. Both publications are considered important policy documents and therefore widely consulted. The series of NHDRs have reflected the focus of UNDP on promoting good governance at the local level. NHDRs could also benefit from the extension of the current CCF which has been characterized as translating local needs into local and regional policy prescriptions.

10. The aim of the extension period will be to elaborate and produce the Common Country Assessment (CCA). This process is a crucial step towards realizing the goals of the CCF. The final CCA will constitute a critical input in future CCF

Resident Representative, as Resident Coordinator of the United Nations system in the country, has placed tremendous emphasis on the nature of the process that will lead to the CCA. This should be absolutely clear and include the full participation of the United Nations country team as well as the other key actors in the country, such as the European Union, the World Bank, the current Government, bilateral donors and the NGO community. It is felt that the legitimacy and relevance of the CCA will be enhanced by such a participatory approach. Although United Nations presence in the country is limited to only UNDP and the Office of the United Nations High Commissioner for Refugees (UNHCR), the Resident Coordinator will use electronic communication to involve non-resident United Nations system organizations. This modality will also require nurturing and attention to detail to ensure that all agencies have the opportunity to provide timely and precision-based comments. It is expected that such a process will be the basis of a quality and value-added CCA, which will (a) be a decisive and strategic input into the next UNDP programming cycle; (b) a policy and advocacy tool with the new Government and (c) a key reference point for other organizations and donors working in the country. The CCA will be published in September 2000. A CCF extension, however, will be necessary to ensure that the conditions outlined above are properly met.

11. The United Nations Social Development Unit, established in January 2000, takes its inspiration from the idea of centres of experimentation and is an example of joint United Nations programming. The Unit is made up of national officers, representing the United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), and UNDP. One of the main objectives of the Unit is to address Bulgaria's social problems from the different perspectives of the participating agencies and thereby create holistic solutions representing a concordant United Nations voice on social policy. Within this context, the Unit will utilize the tools of policy advice and advocacy to tackle the issues of social exclusion, vulnerability and human insecurity in Bulgarian society. This initiative will be pursued during the extension period and will feed directly into the formulation of the CCA.

12. As only two United Nations agencies are represented in Bulgaria, and only UNDP has a multi-year programming cycle, the preparation of the United Nations Development Assistance Framework (UNDAF) programme will not be discussed.

III. Recommendation

13. The Administrator recommends that the Executive Board approve the second extension of the first country cooperation framework for Bulgaria for a period of one year, 1 January 2001 through 31 December 2001.

Annex

Resource mobilization target table for Bulgaria (2000-2001)

Source	*Amount (In thousands of United States dollars)*	*Comments*
UNDP regular resources		
Estimated carry-over into 2000	409	Includes AOS.
TRAC 1.1.1	488	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
Other resources	397	
SPPD/STS	144	
Subtotal	**1 438***	
UNDP other resources		
Government cost-sharing	1 653	
Sustainable development funds	1 661	
of which:		
GEF	1 452	
Capacity	209	
Third-party cost-sharing	19 056	
Funds, trust funds and other	6	Poverty alleviation
Subtotal	**22 376**	
Grand total	**23 814***	

* Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: AOS = administrative and operational services; GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.